GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1495
ANSWERED ON:03.05.2016
Fixation of Prices for Agricultural Produce
Dev Km. Sushmita

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether some Government reports have suggested an overhaul of the mechanism to fix grain prices to make it "realistic" for farmers at a time when agriculture income growth has slumped to its lowest in the recent years;

(b) if so, the recommendations of the said Government reports in this regard;

(c) whether the Union Government proposes to take further concrete action on the basis of those Government reports to protect the farmers from droughts and unseasonal rains; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Methodology for estimating the cost of production is reviewed from time to time. A committee constituted by the Government under the chairmanship of Director, National Centre for Agricultural Economics and Policy (NCAP), to examine the methodological issues in fixing Minimum Support Prices has submitted its Report. The major recommendation of the committee, inter alia, includes modification of the existing sampling design, increase of the sample size, modification in the classification of operational holding, etc. The recommendations of the committee are under consideration of the Government.

A study conducted by NITI Aayog on efficacy of MSP has found that MSP declared by the Government has encouraged 78% of the farmers covered under the study for adopting improved methods of farming such as high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of harvesting etc. due to remunerative price. Majority of farmers are aware of MSP fixed by the Government. The study has also revealed that majority of farm households are in favour of MSP since it ensures guaranteed income to the farmers by acting as a floor price.

Government has taken several initiatives to give wider publicity for MSP. States have been advised from time to time to ensure MSP to the farmers.
Contdâ€¦2/-

In order to protect farmers against crop failure due to natural calamities, pests & diseases, weather conditions, Central Government has introduced the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Pradhan Mantri Krishi Sinchai Yojana (PMKSY) has been launched with the objective of extending the coverage of irrigation in a focused manner to reduce impact of erratic rainfall. Under PMKSY focus has been given for creation of new water sources, repair, restoration and renovation of defunct water sources, construction of water harvesting structures, secondary & micro storage, ground water development and enhancing potential of traditional water bodies at village level.

State Government is primarily responsible for taking necessary relief measures in the wake of natural calamities. Central Government supplements efforts of State Government with financial assistance and logistic support. For undertaking relief measures, funds are available with the state Government in the form of State Disaster Response Fund (SDRF).

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